

REPORT OF THE COMMITTEE ON ZONING, PLANNING AND HOUSING

Voting Members:

Ron Menor, Chair; Tommy Waters, Vice-Chair;
Brandon J.C. Elefante, Ann H. Kobayashi, Joey Manahan

Committee Meeting Held
June 18, 2020

Honorable Ikaika Anderson
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Zoning, Planning and Housing, which considered Resolution 19-293 entitled:

"RESOLUTION REQUESTING THE DEPARTMENT OF LAND
MANAGEMENT TO IDENTIFY CITY-OWNED REAL PROPERTY THAT
HAS THE POTENTIAL TO BE DEVELOPED AS AFFORDABLE RENTAL
HOUSING FOR CURRENT PUBLIC SCHOOL TEACHERS,"

introduced on November 6, 2019, reports as follows:

The purpose of Resolution 19-293 is to request the Director of the Department of Land Management ("DLM") to identify City-owned real property that has the potential to be developed as affordable rental housing for current public school teachers on Oahu pursuant to a development agreement with a qualified entity to plan, design, construct, operate, and manage the project under a long-term lease from the City.

At your Committee's meeting on June 18, 2020, the DLM Director testified in support of the Resolution, and noted that pursuant to State Legislative mandate, the City is in the process of transferring to the State title to public school lands currently owned by the City. This mandate is intended to allow the DOE to develop underutilized public school property for other purposes such as rental housing. The transfer involves 14 high school properties and 83 middle and elementary school properties, some of which are connected to City park land and require negotiation to separate park versus public school properties.

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON **JUL 8 2020**

COMMITTEE REPORT NO. **157**

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The Hawaii State Teachers Association testified via videoconference in support of the Resolution.

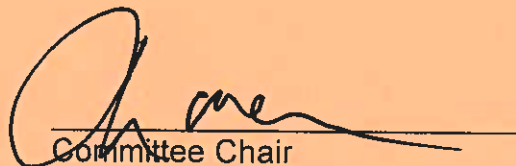
Your Committee received written testimony in support of the Resolution from one individual.

Your Committee prepared a CD1 version of the Resolution that makes the following amendments:

- A. Deletes the first through the fourth "WHEREAS" clauses on Page 2 of the resolution, which related to a collaboration with Landed, a San Francisco-based company that offers down payment assistance to teachers in certain urban hubs across the nation.

Your Committee on Zoning, Planning and Housing is in accord with the intent and purpose of Resolution 19-293, as amended herein, and recommends its adoption in the form attached hereto as Resolution 19-293, CD1. (Ayes: Elefante, Kobayashi, Manahan, Menor, Waters – 5; Ayes with reservations: None; Noes: None.)

Respectfully submitted,



Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JUL 8 2020

COMMITTEE REPORT NO. 157



RESOLUTION

REQUESTING THE DEPARTMENT OF LAND MANAGEMENT TO IDENTIFY CITY-OWNED REAL PROPERTY THAT HAS THE POTENTIAL TO BE DEVELOPED AS AFFORDABLE RENTAL HOUSING FOR CURRENT PUBLIC SCHOOL TEACHERS.

WHEREAS, in a 2019 ranking of 291 cities across America, Honolulu ranked fourth as the least affordable in terms of housing for teachers (the least affordable city was Santa Cruz, followed by San Jose and San Francisco, all in California); and

WHEREAS, in July of 2019, the median sales price of a single-family home in Honolulu peaked at a record high of \$835,000, while the median sales price of a condominium set a new record high of \$435,000; and

WHEREAS, according to salary, rent, and housing data compiled by Zillow, a teacher in Hawaii with a salary in the bottom 25 percent of educators would earn about \$3,330 monthly, but it would take 70 percent of that monthly salary to afford the median rent in Hawaii; and

WHEREAS, according to a recent State Department of Education ("DOE") teacher staffing report, approximately 1,200 teachers in Hawaii resign every year, with 52 percent of the resigning teachers indicating their primary reason was because they were leaving Hawaii, and

WHEREAS, unlike most states, Hawaii does not fund public schools with property taxes; instead, money for schools comes primarily from income and general excise taxes, and a 2018 general election ballot question that would have amended the State Constitution to establish a surcharge on investment property taxes to help fund public education was invalidated by the Hawaii Supreme Court, which ruled the question was phrased in a manner potentially misleading to voters; and

WHEREAS, during the 2019 legislative session, the State Legislature considered Senate Bill 114, which proposed a teacher home assistance program to offer \$500 monthly vouchers to full-time DOE teachers and public charter school teachers who teach in hard-to-staff schools, and whose incomes don't exceed 80 percent of the area median income; and

WHEREAS, despite support from the DOE, the Hawaii State Teacher's Association, and the Democratic Party of Hawaii, the Hawaii Housing Finance and Development Corporation believed the program would be too difficult and expensive to administer, and the State Legislature failed to pass Bill 114 during the 2019 legislative session; and



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WHEREAS, the lack of affordable housing is driving away teachers in cities across the nation where housing costs exceed a reasonable percentage of teacher salaries, and some cities and school districts are moving forward with plans to construct affordable rental housing for teachers as a way to attract and retain them; and

WHEREAS, for example, the Santa Clara Unified School District in Silicon Valley operates a housing complex on district property where it rents subsidized one- and two-bedroom apartments to teachers for up to seven years; and in 2015 San Francisco Mayor Ed Lee announced plans to build 100 new apartments specifically for teachers on school district property; and

WHEREAS, the Council believes that the availability of affordable housing is one of the key factors in attracting and retaining qualified teachers for public schools on Oahu; and

WHEREAS, one possible solution may be to develop City-owned land with affordable rental housing projects for current public school teachers through a development agreement with a qualified entity to plan, design, construct, operate, and manage the project under a long-term lease from the City; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it hereby requests the Director of the Department of Land Management ("DLM") to identify City-owned real property that has the potential to be developed as affordable rental housing for current public school teachers on Oahu pursuant to a development agreement with a qualified entity to plan, design, construct, operate, and manage the project under a long-term lease from the City; and

BE IF FURTHER RESOLVED that within 120 days after the adoption of this resolution, the DLM is requested to submit a written report to the Council identifying City-owned real property that has development potential as affordable rental housing for public school teachers, together with the reasons those specific parcels were identified; and



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No. 19-293, CD1

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BE IT FINALLY RESOLVED that a copy of this resolution be transmitted to the Mayor, the Managing Director, and the Director of Land Management.

INTRODUCED BY:

Ron Menor

DATE OF INTRODUCTION:

November 6, 2019
Honolulu, Hawaii

Councilmembers